

# **H.R.6111**

**Tax Relief and Health Care Act of 2006 (Enrolled as Agreed to or Passed by Both House and Senate)**

## **TITLE VI--AFRICAN GROWTH AND OPPORTUNITY ACT**

### **SEC. 6001. SHORT TITLE.**

This title may be referred to as the `Africa Investment Incentive Act of 2006'.

### **SEC. 6002. PREFERENTIAL TREATMENT OF APPAREL PRODUCTS OF LESSER DEVELOPED COUNTRIES.**

(a) In General- Section 112 of the African Growth and Opportunity Act (19 U.S.C. 3721) is amended--

(1) by redesignating subsections (c) through (f) as subsections (d) through (g);

(2) in subsection (b)--

(A) in the matter preceding paragraph (1), by striking `The' and inserting `Subject to subsection (c), the' ; and

(B) by striking subparagraph (B) and redesignating subparagraph (C) as subparagraph (B); and

(3) by inserting after subsection (b) the following new subsection:

`(c) Lesser Developed Countries-

`(1) PREFERENTIAL TREATMENT OF PRODUCTS THROUGH SEPTEMBER 30, 2012-

`(A) PRODUCTS COVERED- In addition to the products described in subsection (b), and subject to paragraph (2), the preferential treatment described in subsection (a) shall apply through September 30, 2012, to apparel articles wholly assembled, or knit-to-shape and wholly assembled, or both, in one or more lesser developed beneficiary sub-Saharan African countries, regardless of the country of origin of the fabric or the yarn used to make such articles, in an amount not to exceed the applicable percentage of the aggregate square meter equivalents of all apparel articles imported into the United States in the preceding 12-month period for which data are available.

`(B) APPLICABLE PERCENTAGE- For purposes of subparagraph (A), the term `applicable percentage' means--

`(i) 2.9285 percent for the 1-year period beginning on October 1, 2005; and

`(ii) 3.5 percent for the 1-year period beginning on October 1, 2006, and each 1-year period thereafter through September 30, 2012.

`(2) SPECIAL RULES FOR PRODUCTS IN COMMERCIAL QUANTITIES IN AFRICA-

`(A) PETITION PROCESS- Upon a petition filed by an interested party (which may include a foreign manufacturer), the Commission shall determine whether a fabric or yarn produced in beneficiary sub-Saharan African countries is available in commercial quantities for use by lesser developed beneficiary sub-Saharan African countries.

`(B) EFFECT OF AFFIRMATIVE DETERMINATION-

`(i) DETERMINATION OF QUANTITY AVAILABLE- If the Commission determines under subparagraph (A) that a fabric or yarn produced in beneficiary sub-Saharan African countries is available in commercial quantities for use by lesser developed beneficiary sub-Saharan African countries, the Commission shall determine the quantity of the fabric or yarn that will be so available in lesser developed beneficiary sub-Saharan African countries in the applicable 1-year period beginning after the determination is made.

`(ii) DETERMINATIONS- In each case in which the Commission determines that a fabric or yarn is available in commercial quantities under subparagraph (A) for an applicable 1-year period, the Commission shall determine, before the end of that applicable 1-year period--

`(I) whether the fabric or yarn produced in beneficiary sub-Saharan African countries will be available in commercial quantities in the succeeding applicable 1-year period; and

`(II) if so, the quantity of the fabric or yarn that will be so available in that succeeding 1-year period, subject to clause (iii).

`(iii) DETERMINATION REGARDING IMPORTED ARTICLES- After the end of each applicable 1-year period for which a determination under clause (i) is in effect, the Commission shall determine to what extent the quantity of the fabric or yarn determined under clause (i) to be available in commercial quantities for use by lesser developed beneficiary sub-Saharan African countries was used in the production of apparel articles receiving preferential treatment under paragraph (1) that were entered in that applicable 1-year period. To the extent that the quantity so determined was not so used, then the Commission shall add to the quantity of that fabric or yarn determined to be available in the next applicable 1-year period the quantity not so used in the preceding applicable 1-year period.

`(C) DENIM- Denim articles provided for in subheading 5209.42.00 of the Harmonized Tariff Schedule of the United States shall be deemed to have been determined to be in abundant supply under subparagraph (A) in an amount of 30,000,000 square meter equivalents for the 1-year period beginning October 1, 2006.

`(D) PRESIDENTIAL AUTHORITY TO RESTRICT IMPORTS-

`(i) IN GENERAL- Subject to clause (ii), the President may by proclamation provide that apparel articles otherwise eligible for preferential treatment under paragraph (1) that contain a fabric or yarn determined to be available in commercial quantities under subparagraph (A) may not receive such preferential treatment in an applicable 1-year period unless--

`(I) the fabric or yarn in such articles was produced in 1 or more beneficiary sub-Saharan African countries; or

`(II) the Commission has determined that the quantity of the fabric or yarn determined under subparagraph (B) (or (C), as the case may be) to be available in lesser developed beneficiary sub-Saharan African countries for that applicable 1-year period has already been used in the production of apparel articles receiving preferential treatment under paragraph (1) that were entered in that applicable 1-year period.

`(ii) MANDATORY RESTRICTION- If a fabric or yarn is determined to be available in commercial quantities under subparagraph (A) in an applicable 1-year period, and for 2 consecutive applicable 1-year periods the quantities determined to be so available are not used in the production of apparel articles receiving preferential treatment under paragraph (1) that were entered during those 2 applicable 1-year periods, then beginning in the succeeding applicable 1-year period, apparel articles containing that fabric or yarn are ineligible for preferential treatment under paragraph (1) in any succeeding applicable 1-year period unless the Commission has determined that the quantity of the fabric or yarn determined under subparagraph (B) (or (C), as the case may be) to be available in lesser developed beneficiary sub-Saharan African countries for that applicable 1-year period has already been used in the production of apparel articles receiving preferential treatment under paragraph (1) that were entered in that applicable 1-year period.

`(E) PROCEDURES- The Commission shall use the procedures prescribed in subsection (b)(3)(C)(iv) for the Secretary of Commerce in making determinations under this paragraph.

`(3) REMOVAL OF DESIGNATION OF FABRICS OR YARNS NOT AVAILABLE IN COMMERCIAL QUANTITIES- If the President determines that--

`(A) any fabric or yarn described in paragraph (2)(A) was determined to be eligible for preferential treatment, or

`(B) any fabric or yarn described in paragraph (2)(B) was designated as not being available in commercial quantities,

on the basis of fraud, the President may remove the eligibility or designation (as the case may be) of that fabric or yarn with respect to articles entered after such removal.

`(4) APPLICABILITY OF OTHER PROVISIONS- Subsection (b)(3)(C) applies to apparel articles eligible for preferential treatment under this subsection to the same extent as that subsection applies to apparel articles eligible for preferential treatment under subsection (b)(3).

`(5) DEFINITIONS- In this subsection:

`(A) APPLICABLE 1-YEAR PERIOD- The term `applicable 1-year period' means each of the 12-month periods beginning on October 1 of each year and ending on September 30 of the following year.

`(B) COMMISSION- The term `Commission' means the United States International Trade Commission.

`(C) ENTER; ENTRY- The terms `enter' and `entry' refer to the entry, or withdrawal from warehouse for consumption, in the customs territory of the United States.

`(D) LESSER DEVELOPED BENEFICIARY SUB-SAHARAN AFRICAN COUNTRY- The term `lesser developed beneficiary sub-Saharan African country' means--

`(i) a beneficiary sub-Saharan African country that had a per capita gross national product of less than \$1,500 in 1998, as measured by the International Bank for Reconstruction and Development;

`(ii) Botswana; and

`(iii) Namibia.'.

(b) Additional Preferential Treatment- Section 112(b) of the African Growth and Opportunity Act (19 U.S.C. 3721(b)) is amended by adding at the end the following new paragraph:

`(8) TEXTILE ARTICLES ORIGINATING ENTIRELY IN ONE OR MORE LESSER DEVELOPED BENEFICIARY SUB-SAHARAN AFRICAN COUNTRIES- Textile and textile articles classifiable under chapters 50 through 60 or chapter 63 of the Harmonized Tariff Schedule of the United States that are products of a lesser developed beneficiary sub-Saharan African country and are wholly formed in one or more such countries from fibers, yarns, fabrics, fabric components, or components knit-to-shape that are the product of one or more such countries.'.

(c) Technical Amendment- Section 112(e)(3) of the African Growth and Opportunity Act (as redesignated by subsection (a)(1) of this section) is amended by striking `subsection (b)' and inserting `subsections (b) and (c)'.

## **SEC. 6003. TECHNICAL CORRECTIONS.**

Section 112 of the African Growth and Opportunity Act (19 U.S.C. 3721) is amended as follows:

(1) Subsection (b)(5) is amended by adding at the end the following new subparagraph:

`(C) REMOVAL OF DESIGNATION OF FABRICS OR YARNS NOT AVAILABLE IN COMMERCIAL QUANTITIES- If the President determines that any fabric or yarn was determined to be

eligible for preferential treatment under subparagraph (A) on the basis of fraud, the President is authorized to remove that designation from that fabric or yarn with respect to articles entered after such removal.'

(2) Subsection (f), as redesignated by section 6002(a)(1), is amended by adding at the end the following:

`(5) ENTER; ENTERED- The terms `enter' and `entered' refer to the entry, or withdrawal from warehouse for consumption, in the customs territory of the United States.'

#### **SEC. 6004. EFFECTIVE DATE FOR AGOA.**

Subsection (g) of section 112 of the African Growth and Opportunity Act (19 U.S.C. 3721), as redesignated by section 6002(a)(1), is amended by striking `2008' and inserting `2015'.